

UTAH

1997 Small Business Corporation Franchise or Income Tax Return and Instructions



Form TC-20S

What's New?

Extension of Time To File

This is an extension of time to file your tax return - NOT an extension of time to pay your taxes. You are automatically allowed an extension of up to six months to file your return. However, if the prepayment requirements have not been met on or before the original due date, penalties will be assessed.

Qualified Subchapter S Subsidiary

See Qualified Subchapter S Subsidiary information on page 2, column 1.

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or Telecommunications Device for the Deaf (TDD) (801) 297-3819. Please allow three working days for a response.

Tax Questions? You may submit tax questions to the Tax Commission through the World Wide Web. The Tax Commission's Internet Home Page address is: <http://www.tax.ex.state.ut.us>

GENERAL INSTRUCTION AND INFORMATION

1. Corporation Identification Numbers

The Utah State Tax Commission will use the Federal Identification Number (FIN) as the corporation's taxpayer identification with the state. The Utah charter number is a six-digit number issued upon incorporation or qualification to do business in Utah and should also be included. Make sure you provide your FIN and Utah charter for proper identification of the corporate tax return or any correspondence.

2. Rounding Off to Whole-Dollar Amounts

All entries must be reported in whole-dollar amounts.

3. Liability for Filing and Paying Returns

a. Tax Forms - The Utah State Tax Commission supplies returns for filing of corporate taxes to corporations properly registered with the state. If an original return is not mailed to the corporation, contact our offices at (801) 297-6700 to request forms. NOTE: Please review General Instruction 7 to identify what federal information is required with the Utah filing.

(1) Franchise Tax - Every corporation incorporated in Utah (domestic), qualified in Utah (foreign), or doing business in Utah, whether qualified or not, must file a corporate franchise tax return. Returns should be filed on form TC-20. There is a minimum tax (privilege tax) of \$100 on every corporation regardless of whether the corporation exercises its right to do business.

(2) Small Business Corporation - Every small business corporation (as defined in IRC 1361(a)) that has filed a proper and timely election under 1362(a) shall file form TC-20S so long as the federal election remains in effect. Small business corporation franchise or income tax return, schedules, and general instructions are printed separately.

(3) Income Tax - The only corporations required to file under the income tax provisions are those that derive income from Utah sources, but that are not qualified to do business in Utah and have no regular and established place of business in this state either owned or rented, and which do not maintain an inventory or have employees located at a place of business in Utah. For example: A foreign corporation with goods maintained in Utah in a public warehouse, or a trucking company operated in or through Utah by a foreign corporation not qualified for the privilege of doing business in Utah, is subject to the income rather than franchise tax. Corporate income tax filers use form TC-20. A \$100 minimum tax applies to the corporate income tax.

b. Taxable Year - The taxable year for Utah corporation franchise or income tax purposes should match the taxable year used for federal income tax purposes. When the taxable year changes for federal purposes, the taxable year should be adjusted accordingly for Utah corporation franchise or income tax purposes. Refer to General Instruction 3c below. If the taxable year is not a calendar year, enter the beginning and ending dates of the taxable year at the top of form TC-20 where indicated.

c. Filing Return Where Period Changed - When changes are made to the taxable year, as indicated in General Instruction 3b, a short period return is required. The short period return shall cover the period of less than 12 months between the prior taxable year end and the new taxable year end. The tax rates as provided in Utah Code Ann. Sections 59-7-104 and 59-7-201 apply to short period returns, which includes a minimum tax of \$100.

d. Due Date - Returns shall be filed on or before the 15th day of the fourth month following the close of the taxable year.

4. Filing Extension

This is an extension of time to file your tax return - NOT an extension of time to pay your taxes. You are automatically allowed an extension of up to six months to file your return. *However, if the prepayment requirements have not been met on or before the original due date, penalties will be assessed.*

5. Penalties

The penalty for failure to file a tax due return by the due date is the greater of \$20 or 10 percent of the unpaid tax. In addition, if a tax balance remains unpaid 90 days after the due date, a second penalty, the greater of \$20 or 10 percent of the tax balance, will be added for failure to file timely.

The penalty for failure to pay tax due as reported on a timely filed return, or within 30 days of a notice of deficiency, is the greater of \$20 or 10 percent of the tax due.

The penalty for underpayment of extension prepayment is 2 percent per month of the unpaid tax during the extension period.

Penalty for failure to file an information return or complete supporting schedule is \$50 for each return or schedule to a maximum of \$1,000.

For a list of additional penalties that may be imposed, please refer to Utah Code Ann. Section 59-1-401.

6. Interest

The calendar year interest rate applicable for all taxes and fees administered by the Tax Commission shall be two percentage points above the federal short-term rate in effect for the preceding fourth calendar quarter. This rate is published by the Internal Revenue Service in September of each year.

The interest rate for all taxes and fees administered by the Tax Commission for the 1998 calendar year is 8 percent.

7. Supporting Federal Information

Form 1120-S, as filed with the IRS, should be attached when filing the Utah Small Business Corporation Franchise or Income Tax return (Form TC-20S). In addition, federal Schedule K-1 forms must be filed for each shareholder.

8. Corporation Changes

Corporation changes (e.g. name change, merger, or ceasing to do business in Utah) must be reported to the Division of Corporations, Department of Commerce, 160 East 300 South, Salt Lake City, Utah 84145 and the Tax Commission, Attention: Master File Maintenance, 210 North 1950 West, Salt Lake City, Utah 84134.

9. Suspension for Failure to File or Pay Tax Due

Utah law provides for suspension of the corporation's right to do business in Utah if the corporation fails to file and/or pay taxes due before 5 p.m. on the last day of the eleventh month after the due date.

INSTRUCTIONS FOR RETURN

Corporation Name and Address Area

Enter the corporate name and address. Check the box provided if

there has been a change in the corporate's name or address since last year's filing.

Telephone Number

Enter the telephone number for the corporation.

Federal Identification Number and Utah Charter Number

Forms without labels should be completed by entering the FIN and Utah charter number in the appropriate fields.

Qualified Subchapter S Subsidiary

An S corporation that owns one or more qualified subchapter S subsidiaries, as defined in I.R.C. Section 1261(b)(3)(B), must include each subsidiary's assets, liabilities and items of income, loss and deductions as assets, liabilities and items of income, loss and deductions of the S corporation parent for Utah corporation franchise tax purposes. The qualified subchapter S subsidiary shall not be treated as a separate corporation.

An S corporation that owns one or more qualified subchapter S subsidiaries, as defined in I.R.C. Section 1261(b)(3)(B), must take into account the activities of the qualified subchapter S subsidiaries in determining whether the S corporation parent is doing business in Utah. For purpose of this determination, all of the subsidiary's activities will be attributed to the parent.

Amended Returns for 1997

AN AMENDED STATE RETURN FOR 1997 SHOULD BE FILED PROMPTLY ONCE YOU DISCOVER:

1. an error on your state or federal return after it has been filed; or,
2. your federal return is audited or adjusted by the IRS and the IRS audit or adjustment affects your state return. You must report such changes or corrected net income within 90 days of the IRS's final determination.

If you need to amend a return for a tax year other than 1997, please use the tax form and instructions for the year you are amending.

To qualify for a refund or credit, an amended return must be filed within three years following the date the original return was filed. A return filed before the due date is considered filed on the due date.

To amend a previously filed 1997 state income tax return:

1. check the amended box located at the top of the return; and
2. indicate the reason for amending, by writing the number in the box provided on the return.

THE REASONS FOR AMENDING:

1. you filed an amended return with the Internal Revenue Service (*you must attach a copy of your amended federal return*);
2. you made an error on your state return (*attach an explanation of the adjustments made*);
3. federal audit adjustments which resulted in changes in federal taxable income were issued and became final (*attach a copy of the IRS adjustment*);
4. other (*please attach explanation to return*).

Complete the return entering the figures as corrected.

Enter other amounts shown on your original return. If you received a refund on your original return, enter the total previous refunds on Schedule TC-20S A, line 16c. If you paid with the original return or made subsequent payments of the tax prior to filing the amended return, enter the total previous payments on Schedule TC-20S A, line 18d.

REMEMBER, except for the amounts you amend, the amounts you place on the return must match the amounts on your original return.

Line 1(a) Number of Resident and Nonresident Shares

Indicate number of resident and nonresident shares.

Line 1(b) Percentage of Resident and Nonresident Shares

Indicate percentage of resident and nonresident shares.

Line 6 Total Penalties and Interest

Enter any applicable penalty and interest amounts on the appropriate lines. Enter the total amount on this line.

Line 7 Total Remitted

Add lines 4 and 6, show total amount due on line 7. Make check or money order payable to the Utah State Tax Commission. **DO NOT MAIL CASH. THE TAX COMMISSION ASSUMES NO LIABILITY FOR LOSS OF CASH PLACED IN MAIL.**

Line 8 Total Refund

Line 5 less line 6.

Signature and date lines are required for declaration of the return's accuracy. Refunds will not be granted on returns without signatures and dates.

INSTRUCTIONS FOR SCHEDULE A COMPUTATION OF UTAH NET TAXABLE INCOME

Line 1 Ordinary Income/Loss

Enter the ordinary income from trade or business activities as taken from the federal small business return, form 1120S, line 21.

Line 2 Total Adjustments to Ordinary Income

Bring forward total adjustments to ordinary income from Schedule B, line 6.

Line 3 Net Income

- a. **Total Income before Nonbusiness Income.** Add Lines 1 & 2.
- b. **Nonresident Income.** Schedule A, line 3a multiplied by the percentage of nonresident shares on line 1b of Small Business Corporation Franchise or Income Tax return, form TC-20S.

Line 4 Nonbusiness Income Allocation

- a. **Nonbusiness Income Allocated to Utah.** Schedule H, line 13 multiplied by the percent of nonresident shareholders on line 1b of Small Business Corporation Franchise Tax return, form TC-20S.
- b. **Nonbusiness Income Allocated Outside Utah.** Schedule H, line 26 multiplied by the percent of nonresident shareholders on line 1b of Small Business Corporation Franchise or Income Tax return, form TC-20S.

Line 5 Nonbusiness Income total

Line 4a plus 4b.

Line 6 Net Income Subject to Apportionment

Line 3b less line 5.

Line 7 Apportionment Fraction

100 percent or bring forward fraction from Schedule J, line 7.

Line 8 Net Income Apportioned to Utah

Line 6 multiplied by line 7.

Line 9 Nonbusiness Income Allocated to Utah

Carry down amount reported on line 4a above.

Line 10 Utah Taxable Income/Loss

Line 8 plus line 9.

Line 11 Loss Carryforward for S Corporations Previously Filing Under Option A

Losses claimed on this line are limited to losses incurred by S corporations which had nonresident shareholders and elected option A for tax years beginning prior to January 1, 1994. Such losses from years beginning prior to January 1, 1994, may be carried forward for five years following the year in which the loss was incurred.

S corporation losses incurred in years beginning on or after January 1, 1994, which are directly passed through to shareholders for federal income tax purposes may not be carried forward or back at the S corporation level. Such losses may only be claimed by filing a Utah Individual Income Tax Return.

Line 12 Utah Taxable Income Before Deduction Amount

Line 10 less line 11. Nonresident shareholders should transfer their prorata share of taxable income before deduction amount to their Utah Individual Income Tax Return, form TC-40, line 22, column A.

Line 13 Deduction Amount Applies To Income Greater Than Zero

Multiply line 12 by (.15). If line 12 is a loss, no deduction amount is allowed.

Line 14 Net Taxable Income

Line 12 less line 13.

Line 15 Tax Rate

The tax rate is .07.

Line 16a Calculation of Tax

Multiply line 14 by line 15.

Line 16b Built-in and Other Gains Tax

In accordance with the provisions of Utah Code Ann. Section 59-7-701, gains or income subject to the federal corporation tax are also subject to the Utah Small Business Corporation Franchise or Income Tax. The most common transactions that occur under federal provisions, include: built-in gains, capital gains, federal recapture amounts of prior year's investment credits, LIFO recapture amounts, and any other similar type transaction. These gains or income should be apportioned (see Schedule J) and multiplied by the current tax rate of 5 percent. Attach a schedule to form TC-20S that provides the necessary details of gains or income being reported.

Line 16c Amended Returns Only (Previous re-funds)

This line is used only for amended returns. When filing an amended return, enter the amount of all refunds, credits, or offsets of corporation franchise or income tax received for the tax year being amended. You should exclude refund interest from this amount. This amount is then added into the tax amount on line 17.

Line 17 Tax Amount

Add lines 16a through 16c.

Line 18a Mineral Production Withholding Credit (R865-14W-1)

A refundable credit is allowed for Utah tax withheld from the corporation's mineral production payments as indicated on form TC-675R or federal schedule K-1(s). Form TC-675R or K-1 must be attached when credit is claimed.

Line 18b Credit for Agricultural Off-Highway Gasoline and Undyed Diesel Tax

(Utah Code Ann. Section 59-13-202)

This credit is only for fuel purchased *in Utah* to operate stationary farm machinery used solely for commercial nonhighway agricultural use that was taxed at the time of purchase. Activities that would NOT qualify for this credit include, but are not limited to, the following: Golf courses, horse racing, boat operations, highway seeding, vehicles registered for highway use, hobbies, farming for personal use, etc.

The fuel tax rates changed in 1997. Complete the fuel worksheet below to match the fuel tax rates with the affected tax period. The tax rate is 19 cents per gallon for gasoline purchased between 1/1/97 - 4/30/97; 19.5 cents for gasoline purchased between 5/1/97 - 6/30/97; and 24.5 cents for gasoline purchased between 7/1/97 - 12/31/97. The tax credit for undyed diesel is 24.5 cents per gallon if purchased between 7/1/97 - 12/31/97. There was no tax credit for undyed diesel purchased before 7/1/97. Keep all personal records, forms, and worksheets to support your deduction.

FUEL WORKSHEET	Gallons	Tax rate	Amount
a. Motor Fuel 1/1/97-4/30/97		.19	
b. Motor Fuel 5/1/97-6/30/97		X .195	
c. Motor Fuel 7/1/97-12/31/97		.245	
d. Undyed Diesel 7/1/97-12/31/97		.245	
Total refund (Multiply each qualified gallon by the tax rate that applies. Then add lines a. through d. and enter the total on line 18b.)			\$

Line 18c Total Prepayments

A refundable credit is allowed for advance payments made as quarterly prepayments and extension payments (form TC-559). Also, include any overpayment from the prior year applied to this year, and include withholding prepayments made applicable to the filing period and specify amount paid. See Schedule E.

Line 18d Amended Returns Only (Previous Payments)

This line should only be used for amended returns. When filing an amended return, enter the amount of tax paid with the original return and/or subsequent payments of the tax prior to filing this amended return.

Line 19 Total Refundable Credits

Add lines 18a through 18d.

Line 20 Overpayment

Enter amount of overpayment (if line 19 is larger than line 17, subtract line 17 from line 19).

Line 21 Overpayment To Be Applied To Next Taxable Year

As a convenience to refund filers, all or part of a refund may be applied as an advance payment for the next tax year. Enter amount to be applied (must be less than or equal to refund).

Line 22 Refund

Line 20 less line 21. Carry this amount to line 6 of form TC-20S.

Line 23 Total Tax

Enter amount due (if line 17 is larger than line 19, subtract line 19 from line 17). Carry this amount to line 5 of form TC-20S.

INSTRUCTIONS FOR SCHEDULE B ADJUSTMENTS TO ORDINARY INCOME

Lines 1 through 5 Adjustments To Ordinary Income

Add income or deduct losses that are directly passed through to the shareholders as shown on federal Schedule K and/or K-1, lines 2 through 6. Each line on Schedule B references the line from federal Schedule K and/or K-1 where the pass-through income can be found.

Line 6 Total Adjustment to Ordinary Income

Add lines 1 through 5. Enter the amount on line 6 and on Schedule A, line 2.

INSTRUCTIONS FOR SCHEDULE J APPORTIONMENT SCHEDULE

Determine apportionment fraction by completing this schedule. The factors express a percent for tangible property in Utah, for wages and salaries in Utah, and for sales in Utah. These factors are to be added together and divided by the number of factors present (typically 3) to arrive at the Utah apportionment fraction calculated to **six decimals**. This fraction is to be applied to the net income (or loss) to arrive at the amount of income (or loss) apportioned to Utah. In cases where one or more of the factors is omitted due to peculiar aspects of the business operations, the corporation should divide by the number of factors present.

For **S Corporations that have Qualified Subchapter S Subsidiaries** the Utah property, payroll and sales, of each qualified subchapter S subsidiary shall be added, respectively, to the Utah property, payroll and sales of the S corporation parent to determine the numerators of the property, payroll and sales factors; and all of the property, payroll and sales of each qualified S corporation subsidiary shall be added, respectively, to all of the property, payroll and sales of the S corporation parent, to determine the denominators of the property payroll and sales factor.

Income or loss from partnership or joint venture interests shall be included in income and apportioned to Utah through application of the three-factor formula consisting of property, payroll and sales. For apportionment purposes, the portion of partnership or joint venture property, payroll, and sales to be included in the corporation's property, payroll, and sales factors shall be computed on the basis

of the corporation's ownership interest in the partnership or joint venture.

Briefly describe the nature and location(s) of your Utah business activities in the space provided at the top of this schedule.

Lines 1(a)-(e) Tangible Property

Show the average cost value during the taxable year of real and tangible personal property used in the business within the state (including leased property) in column A; and overall (including Utah) in column B.

Property owned by the corporation is valued at its original cost. Property rented by the corporation is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the corporation less the annual rental rate received by the corporation from subrentals.

The average value of property shall be determined by averaging the cost values at the beginning and ending of the tax period. However, monthly values may be used or required if monthly averaging more clearly reflects the average value of the corporation's property.

A supporting schedule should be attached whenever monthly averaging is used.

Line 2 Total Tangible Property

Enter totals of lines 1(a)-(e) in the respective columns.

Line 2(a) Property Fraction

Determine property fraction: column A, line 2 divided by column B, line 2.

Line 3 Wages, Salaries, Commissions, and Other Includable Compensation

Wages, salaries, commissions, and other includable compensation paid to employees for personal services must be included in the Utah factor to the extent that the services, for which the compensation was paid, were rendered in Utah.

Compensation is paid in the state if (1) the individual's service is performed entirely within the state; (2) the individual's service is performed both within and outside the state, but the service performed outside the state is incidental to the individual's service within the state; or (3) some of the service is performed in the state and (a) the base of operations or, if there is no base of operation, the place from where the service is directed or controlled within the state, or (b) the base of operations or the place where the service is directed or controlled is not in any state where some part of the service is performed, but the individual's residence is in this state. Amounts reportable for employment security purposes may ordinarily be used to determine the wage factor.

Line 3(a) Wages Fraction

Column A, line 3 divided by column B, line 3. Overall wages, including Utah, are listed in column B.

Lines 4(a)-(e) Gross Receipts from Business

The sales factor is the percentage the sales or charges for services within the state for the taxable year bear to the overall sales for the taxable year. Gross receipts from the performance of services are in this state to the extent the services are performed in this state.

Sales of tangible personal property are in this state if the property is delivered or shipped to a purchaser within this state regardless of

the F.O.B. point or other conditions of the sale, or if the property is shipped from an office, store, warehouse, factory, or other place of storage in this state and: (1) the purchaser is the United States government, or (2) the corporation is not taxable in the state of the purchaser.

Nexus: The jurisdictional link that must be present before a state may tax a corporation upon its activities within a state's borders.

Note: Exception to the above method for securities brokerage businesses can be found in Utah Code Ann. Section 59-7-319(3).

Line 5 Total Sales and Service

Enter totals of lines 4(a)-(e) in their respective columns.

Line 5(a) Sales Fraction

Determine sales fraction: column A, line 5 divided by column B, line 5. Overall sales, including Utah, are listed in column B.

Line 6 Total Fraction

Enter total of lines 2(a), 3(a), and 5(a).

Line 7 Apportionment Fraction

Calculate the apportionment fraction to six decimals: Line 6 divided by the number of factors used (typically 3 - property, wages, and sales). If one or more of the factors are not present (i.e., there is a zero represented on lines 2, 3, or 5 in column B), divide by the number of factors present. Enter apportionment fraction here and on Schedule A, line 7.

Note: All trucking companies should refer to Administrative Rule R865-6F-19.

INSTRUCTIONS FOR SCHEDULE H NONBUSINESS INCOME SCHEDULE

Determine nonbusiness income allocated to Utah and outside Utah by completing this schedule. All income that arises from the conduct of trade or business operations of a corporation is business income.

Nonbusiness income means all income other than business income and will be narrowly construed. Intangible income must be properly classified and based upon factual evidence. The burden of proof is on the corporation to justify the manner in which the income is claimed on the return.

Interest income is business income where the intangible with respect to which the interest was received arises out of or was created in the regular course of the taxpayer's trade or business operations. (Reference: Utah Administrative Rule R865-6F-8(A)(3)(c))

Dividends are business income where the stock with respect to which the dividends are received arises out of or was acquired in the regular course of the taxpayer's trade or business operations . . . Because of the regularity with which most corporate taxpayers engage in investment activities . . . income arising from the ownership or sale . . . is presumptively business income. (Reference: Utah Administrative Rule R865-6F-8(A)(3)(d))

Gain or loss from the sale, exchange, or other disposition of real or tangible or intangible personal property constitutes business income if the property while owned by the taxpayer was used in the

taxpayer's trade or business. (Reference: Utah Administrative Rule R865-6F-8(A)(3)(b))

Rental income from real and tangible property is business income if the property with respect to which the rental income was received is used in the taxpayer's trade or business or . . . includable in the property factor. (Reference: Utah Administrative Rule R865-6F-8(A)(3)(a))

If the corporation is claiming only Utah nonbusiness income, lines 1a through 13 must be completed. If the corporation is claiming only non-Utah nonbusiness income, lines 14a through 26 must be completed. If the corporation is claiming both Utah and non-Utah nonbusiness income, lines 1a through 26 must be completed. Use additional pages if necessary to provide complete information including a description of the business purpose for making the investment, the transactions creating the non-business income, and the use of revenues generated by the non-business investment.

UTAH NONBUSINESS INCOME

Lines 1(a)-(d) Utah Nonbusiness Income

Complete each column with the information required and show the gross nonbusiness income from each class of income being specifically allocated. Use additional pages, if necessary, to provide complete information about additional sources of nonbusiness income.

Line 2 Total Utah Nonbusiness Income

Add lines 1(a) through 1(d).

Lines 3a-d Direct Related Expenses

Describe and enter amounts of direct expenses on the same letter line as the corresponding nonbusiness income is listed on lines 1a-d. Direct related expenses include wages, interest, depreciation, etc.

Line 4 Total Direct Related Expenses

Enter the sum of direct related expenses by adding lines 3(a) through 3(d).

Line 5 Utah Nonbusiness Income Net of Direct Related Expenses

Line 2 less line 4. (Reference: Utah Code Ann. Section 59-7-101(19))

Line 6 Beginning of Year Assets

Enter the beginning of year value of assets used to produce Utah nonbusiness income in column A. Enter the beginning of year value of the corporation's total assets in column B. Total assets, including Utah assets, should be included in column B.

Line 7 End of Year Assets

Enter the end of year value of assets used to produce Utah nonbusiness income in column A. Enter the end of year value of the corporation's total assets in column B. Total assets, including Utah assets, should be included in column B.

Line 8 Sum of Beginning and End of Year Assets Values

Add lines 6 and 7 for each respective column.

Line 9 Average Asset Values

Line 8 divided by 2 for each column.

Line 10 Average Assets Used to Produce Utah Nonbusiness Income

Line 9, column A divided by line 9, column B.

Line 11 Interest Expense

Enter the total amount of interest deducted in computing Utah taxable income.

Line 12 Indirect Related Expenses for Utah Nonbusiness Income

Multiply line 10 by line 11.

Line 13 Total Utah Nonbusiness Income Net of Expenses

Line 5 less line 12. Bring forward amount to Schedule A, line 4a.

NON-UTAH NONBUSINESS INCOME**Lines 14a-d Non-Utah Nonbusiness Income**

Complete each column with the information required and show the gross nonbusiness income from each class of income being specifically allocated. Use additional pages, if necessary, to provide complete information about additional sources of nonbusiness income.

Line 15 Total Non-Utah Nonbusiness Income

Add lines 14a through 14d.

Lines 16a-d Direct Related Expenses

Describe and enter amounts of direct expenses on the same letter line as the corresponding nonbusiness income is listed on lines 14a-d. Direct related expenses include wages, interest, depreciation, etc.

Line 17 Total Direct Related Expenses

Enter the sum of direct related expenses by adding lines 16a through 16d.

Line 18 Non-Utah Nonbusiness Income Net of Direct Related Expenses

Line 15 less line 17. (Reference: Utah Code Ann. Section 59-7-101(19))

Line 19 Beginning of Year Assets

Enter the beginning of year value of total assets used to produce non-Utah nonbusiness income in column A. Enter the beginning of year value of the corporation's total assets in column B. Total assets, including Utah assets, should be included in column B.

Line 20 End of Year Assets

Enter the end of year value of total assets used to produce non-Utah nonbusiness income in column A. Enter the end of year value of the corporation's total assets in column B. Total assets, including Utah assets, should be included in column B.

Line 21 Sum of Beginning and End of Year Assets Values

Add lines 19 and 20 for each respective column.

Line 22 Average Asset Values

Line 21 divided by 2 for each column.

Line 23 Average Assets Used to Produce Non-Utah Nonbusiness Income

Line 22, column A divided by line 22, column B.

Line 24 Interest Expense

Enter the total amount of interest deducted in computing Utah taxable income.

Line 25 Indirect Related Expenses for Non-Utah Nonbusiness Income

Multiply line 23 by line 24.

Line 26 Total Non-Utah Nonbusiness Income Net of Expenses

Line 18 less line 25. Bring forward amount to Schedule A, line 4b.

**INSTRUCTIONS FOR SCHEDULE N
NONRESIDENT TAX REMITTANCE
INFORMATION**

Every small business corporation is subject to payment of the corporation franchise tax on Utah's apportioned share of any income subject to federal corporation income tax. Utah's apportioned share of taxable income is taxed at the same rate (5 percent) applied to C corporations.

In addition, tax must be paid at the S corporation level on the percentage of taxable income attributable to the nonresident shareholders of the S corporation. The nonresident's share of taxable income is based on the ratio of stock held by nonresidents to total outstanding stock on the last day of the corporate filing period. The tax rate imposed on the nonresident shareholders is the same as the rate imposed on nonresident partners that file a Utah nonresident composite partnership return.

The nonresident S corporation shareholders may generally consider the tax imposed as either a payment or a withholding. Nonresident shareholders having no other Utah source income may choose whether or not to file a Utah nonresident individual income tax return. However, nonresident shareholders with income or loss from other Utah sources must file a nonresident individual income tax return. If a nonresident individual income tax return is filed, a credit may be claimed for the nonresident shareholder's share of the S corporation tax as shown on form TC-20S, Schedule N.

S corporations having nonresident shareholders must complete Part I of Schedule N showing the pro-rata share (percentage multiplied by line 12 of Schedule A) and the amount of Utah tax paid on behalf of each nonresident shareholder.

S corporations that have earned nonrefundable credits are required to complete Part II of Schedule N showing each shareholder's portion of each nonrefundable credit, the total for each credit and the total amount of nonrefundable credits that each shareholder (whether resident or nonresident) has earned.

A summary of current nonrefundable tax credits is provided to facilitate an understanding of the requirements for each credit.

Note to Tax Preparers: It is recommended that the amount of Utah tax paid on behalf of each shareholder be included on the federal schedule K-1.

a. Qualified Sheltered Workshop Cash Contribution Credit

(Utah Code Ann. Section 59-7-602)

Cash contributions made within the tax year to a nonprofit rehabilitation sheltered workshop facility for the handicapped operating in Utah and certified by the Department of Human Services as a qualifying facility, are eligible for a credit against Utah income taxes. Check with the workshop to make sure they are a qualified sheltered workshop. The credit is equal to 50 percent of the total of cash contributions, not to exceed \$200. Contributions claimed as a tax credit under this section may not also be claimed as a charitable deduction in determining net taxable income (Utah Code 59-10-108).

b. High Technology Equipment Contribution Tax Credit

(Utah Code Ann. Section 59-7-603)

A nonrefundable tax credit is allowed for 25 percent of the fair market value of high technology equipment contributions to public education, not to exceed the basis of the property contributed.

c. Enterprise Zone Tax Credit

(Utah Code Ann. Section 9-2-401 through 414)

All enterprise zones credits will be subject to audit and will require verification.

Tax incentives described herein are available only to business firms meeting the following qualifications:

1. At least 51 percent of the employees at facilities of the firm located in the enterprise zone are individuals who, at the time of employment, reside in the enterprise zone; and,
2. The primary activity of the business must lie within standard industrial and telemarketing codes 2011 through 3999, 4221 through 4231, 5093, 7371 through 7375, 7379, 7389, 7629, 7692, 7694, and 7699 as set forth in the 1987 Revision of the Standard Industrial Classification Manual.

The following state tax credits are applicable to qualifying businesses in an enterprise zone.

1. A credit of \$750 for each new full-time position filled for not less than six months during a tax year.
2. An additional \$500 tax credit if the new position pays at least 125 percent of the county average monthly nonagricultural payroll wage for the respective industry as determined by the Utah Department of Employment Security. If this information is not available, the job must pay at least 125 percent of the total average monthly nonagricultural payroll wage in the respective county where the enterprise is located.
3. An additional credit of \$750 may be claimed if the new position is in a business that adds value to agricultural commodities through manufacturing or processing.
4. An additional \$200 credit may be claimed for two consecutive years for each new employee who is insured under an employer-sponsored health insurance program, if the employer pays at least 50 percent of the premium cost for two consecutive years.

NOTE: Construction jobs and businesses engaged in retail trade or public utilities, are not eligible for the tax credits in paragraphs 1 - 4.

5. A 50 percent credit for cash contributions, not to exceed \$100,000, made to a private nonprofit corporation that is exempt from federal income tax under Section 501(c)(3) of the IRS Code, whose primary purpose is community and economic development, and is accredited by the Utah Rural Development Council Board of Directors.

6. A 25 percent credit of the first \$200,000 spent on rehabilitating a building, vacant for two years, in the enterprise zone.
7. Annual investment tax credit of 10 percent of the first \$250,000 investment and 5 percent of the next \$1,000,000 qualifying investment in plant, equipment, or other depreciable property.

A business claiming a credit under paragraphs 1- 4 may claim a credit for 30 full-time employee positions or less in each of its taxable years.

A business may claim an additional credit for a full-time employee position under paragraphs 1 - 4 above if:

- a. the business creates a new full-time employee position;
- b. the total number of full-time employee positions is greater than the number of full-time employee positions previously claimed by the business under paragraphs 1 - 4; and
- c. the total number of credits claimed for its current taxable year, including the new full-time employee positions being claimed as a credit, is less than or equal to 30.

Tax credits not claimed by a business on its state income tax return within three years are forfeited. (Utah Code 9-2-401 through 9-2-414)

If Enterprise Zone credits are being taken on your ownership in a Partnership or S Corporation, you must allocate the above calculated credits based on your respective percentage of ownership. Department of Community and Economic Development, 324 So. State St., SLC, UT 84111, (801) 538-8782.

d. Utah Steam Coal Tax Credit

(Utah Code Ann. Section 59-7-604)

For taxable years beginning on or after January 1, 1993, there is allowed, as a credit against any taxes imposed by Utah Code Ann. Section 59, Chapters 7 and 8, an amount equal to \$1 per ton for each ton of Utah steam coal sold from a permitted mine by the taxpayer to a purchaser outside of the United States in excess of the number of tons of Utah steam coal sold from a permitted mine by the taxpayer to a purchaser outside of the United States in the taxable year beginning on or after January 1, 1992, but before Dec. 31, 1992.

Unused credits may be carried forward 15 years.

The credit allowed by this section is repealed effective for tax years beginning on or after January 1, 2002.

e. Clean Fuel Vehicle Tax Credit

(Utah Code Ann. Section 59-7-605)

This is a nonrefundable tax credit of: 20 percent (*up to \$500*) for the purchase of each new vehicle registered in Utah for the first time that is fueled by propane, natural gas, or electricity; 20 percent (*up to \$400*) equipment cost to convert vehicles to be fueled by propane, natural gas, or electricity; and a 20 percent (*up to \$500*) equipment cost to convert special fuel mobile equipment to be fueled by propane, natural gas, or electricity. Enter the amount on line e. For detailed instructions regarding the eligibility of a particular vehicle for this tax credit, please see Form TC-40V, "Clean Fuel Vehicle Tax Credit," or contact the Division of Air Quality, Department of Environmental Quality, 1950 W. North Temple, SLC, UT 84114-4820; telephone (801) 536-4000. Attach Form TC-40V, showing the credit amount and the Division of Air Quality certification.

f. Clean Fuel Alternative Tax Credit

(Utah Code Ann. Section 59-7-606)

This is a nonrefundable tax credit of 10 percent up to \$50 of the total of the purchase cost and installation costs for EPA certified pellet burning stoves, high mass wood stoves, solid fuel burning devices, and natural gas or propane free-standing fireplaces or inserts. For detailed instructions regarding the eligibility of a particular stove or fireplace for this tax credit, please see form TC-40F, Clean Fuel Alternative Tax Credit, or contact the Division of Air Quality, Department of Environmental Quality at 1950 West North Temple, P.O. Box 144820, Salt Lake City, Utah 84114-4820; (801) 536-4000. You must attach form TC-40F, showing the Division of Air Quality certification and the amount you are claiming, to your return.

g. Historic Preservation Tax Credit

(Utah Code Ann. Section 59-7-609)

This is a nonrefundable tax credit of 20 percent of qualified rehabilitation expenditures, costing more than \$10,000, incurred in connection with any residential certified historic building. Unused credits may be carried forward five years as a credit against Utah tax due. For detailed information regarding the eligibility of a rehabilitation project for this tax credit, please contact the State Historic Preservation Office, located at 300 Rio Grande, Salt Lake City, Utah 84101; (801) 533-3563. You must attach form TC-40H, Historic Preservation Tax Credit, showing the State Historic Preservation Office certification and the amount you are claiming, to your return.

h. Low Income Housing Tax Credit

(Utah Code Ann. Section 59-7-607)

This is a nonrefundable tax credit in an amount determined by the Utah Housing Finance Agency, for any housing sponsor that has received an allocation of the federal low-income housing tax credit and any applicant for an allocation of the federal low-income housing tax credit. Unused credits may be carried back three years or carried forward to each of the five taxable years. For detailed instructions regarding the eligibility of a building for this tax credit, please contact the Utah Housing Finance Agency, located at 177 East 100 South, Salt Lake City, Utah, telephone (801) 521-6950. You must attach forms TC-40TCAC, Utah Low-Income Housing Tax Credit Allocation Certification, and TC-40LI, Summary of Utah Low-Income Housing Tax Credit, to your return. If you are carrying this credit back or forward, you must also attach form TC-40LIC, Utah Low-Income Housing Tax Credit Carryback and/or Carryforward and form TC-40LI, Summary of Utah Low-Income Housing Tax Credit, to your return.

i. Credit for Employers Who Hire Disabled

(Utah Code Ann. Section 59-7-608)

This is a nonrefundable tax credit for employers based on amounts paid to individuals with disabilities who are hired by the employer. The credit applies only to amounts paid to individuals with disabilities. Individuals with disabilities are defined as individuals who: (1) have been receiving services from a day-training program for persons with disabilities, which is certified by the Department of Human Services as a qualifying program, for at least six consecutive months prior to working for the employer claiming the tax credit; or (2) are eligible for services from the Division of Services for People with Disabilities at the time the individuals begin working for the employer claiming the tax credit.

An employer qualifies for this credit only if the individual with a disability: (1) works in this state for at least 180 days in a taxable

year for that employer; and (2) is paid at least minimum wages by that employer.

The credit authorized by law shall be in an amount equal to 10 percent of the gross wages earned in the first six months of employment by the individual with a disability, and 20 percent of the gross wages earned in the remaining taxable year by the individual with a disability.

The credit taken by an employer is limited to \$3,000 per year per individual with a disability.

The credit is allowed only for the first two years the individual with a disability is employed by the employer.

Credit amounts greater than the Utah tax liability in the tax year in which the credit is earned may be carried forward to each of the following two tax years. Carryforward credits shall be applied against the tax liability of any year before the application of any credits earned in the tax year.

Employers must attach form TC-40HD, Tax Credit for Employers Who Hire Persons with Disabilities, showing the Division of Services for People with Disabilities certification, and the amount they are claiming, to the return.

j. Recycling Market Development Zone Tax Credit

(Utah Code Ann. Section 59-7-610)

For years beginning on or after January 1, 1996 and ending December 31, 2000, the Utah Legislature has authorized a nonrefundable tax credit to individuals in a recycling market development zone as defined in Section 9-2-1502. The credit consists of: (a) 5 percent of the purchase price paid during the taxable year for machinery and equipment used directly in commercial composting, or manufacturing facilities or plant units that manufacture recycled items or reduce or reuse postconsumer waste material; and (b) 20% of net expenditures up to a maximum credit of \$2,000 to third parties for rent, wages, supplies, tools, test inventory, and utilities made by the taxpayer for establishing and operating recycling or composting technology in Utah.

The total credit allowed may not exceed 40% of the entity's Utah tax liability.

Any amount of total tax credit allowed that is attributable to the purchase of qualified machinery and equipment that exceed the current year tax liability may be carried forward three years as a credit against Utah tax due.

For detailed instructions regarding the eligibility of particular equipment and expenses for this tax credit, please see form TC-40R, Recycling Market Development Zone Tax Credit, or contact the Department of Community and Economic Development. You must attach form TC-40R, showing the Department of Commerce certification for machinery and equipment purchases, and the amount you are claiming, to your return.

k. Energy Systems Installation Credit

To qualify for the energy credit, you must have installed an active or passive solar system, a wind system, a hydroenergy system, or a biomass system during the tax period. *Insulation, storm windows, storm doors and other energy saving devices not mentioned above do not qualify for this credit.*

The credit for **residential** units is 25 percent of the cost of the energy system, not to exceed \$2,000. The credit for **commercial** units is 10 percent of the cost of the system, not to exceed \$50,000 per commercial unit. You must attach a copy of form TC-40E, "Utah Energy Tax Credit for Energy Systems Installation" showing the computation of your credit, and the approval seal from the Utah Energy Office that the system has been installed and is a viable system for saving energy.

The energy systems installation credit is nonrefundable. The amount of the qualifying credit that may be claimed is limited to the amount of Utah income tax due. Any unused credit may be carried forward for up to four years to offset any future year's tax liability.

You may obtain form TC-40E and a systems certification from the Office of Energy & Resource Planning, 1594 W North Temple, Suite 3610, SLC, UT 84114, telephone (801) 538-5428. For additional information see the instructions on form TC-40E.

Utah State Tax Commission
210 N 1950 W, Salt Lake City Utah 84134

**Utah Small Business Franchise
or Income Tax Return**

1997

TC-20S
Rev. 12/97

This return is for the calendar year ending Dec. 31, 1997, or fiscal year beginning _____, 19 ____ and ending _____, 19 ____.

☐ Check box if name or address changed.

• ☐ **AMENDED RETURN**

See page 2 for **"THE REASONS FOR AMENDING"** and enter the number in this box

Corporation name			Federal Identification Number
Address			Utah Charter Number
			Telephone Number ()
City	State	ZIP Code	

NOTE: ATTACH A COMPLETE FEDERAL RETURN INCLUDING SCHEDULE K, AND K-1 FOR ALL SHAREHOLDERS. IF ALL SHAREHOLDERS ARE UTAH RESIDENTS AND THERE ARE NO CORPORATE BUILT-IN GAINS OR OTHER GAINS TO REPORT UNDER UTAH CODE ANN. SECTION 59-7-701, SCHEDULES A THROUGH N ARE NOT REQUIRED.

1. (a) Number of shares	•	Resident	+	•	Nonresident	=	Total
(b) Percentage	•	%	+	•	%	=	100%

2. Check if this corporation conducted any UTAH business activity during the taxable year. • ☐

3. Check if this S-corporation made an election to treat one or more subsidiaries as a Qualified Subchapter S Subsidiary? • ☐

4. Total tax due (Schedule A, line 23)	4	00
5. Refund (Schedule A, line 22)	5	00
6. Total the penalties and interest listed below and enter on this line	6	00

Extension penalty \$ _____ Late filing penalty \$ _____
Late payment penalty \$ _____ Interest \$ _____

7. Total remitted (add lines 4 and 6)	7	\$	00
8. Total refund (line 5 less line 6)	8	\$	00

Make check payable to: UTAH STATE TAX COMMISSION

Check the appropriate box for each schedule that is attached to this filing

<input type="checkbox"/> Schedule A	<input type="checkbox"/> Schedule H	<input type="checkbox"/> Schedule N
<input type="checkbox"/> Schedule B and E	<input type="checkbox"/> Schedule J	

Under penalties of perjury, I declare that to the best of my knowledge and belief, this return and accompanying schedules are true, correct, and complete.

Signature of officer	Date	Title
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Paid Preparer's Section	Preparer's signature	Date signed	Check if self-employed <input type="checkbox"/>	Preparer's social security no.
	Firm's name (or yours if self-employed)			E.I. number
	Preparer's complete address	City	State	ZIP code

Supplemental Information To Be Supplied By All S-Corporations

1. ☐ Yes ☐ No Does this S-corporation own more than fifty (50) percent of the voting stock of another corporation?

If yes, provide the following for each Corporation so owned: (attach additional pages if necessary)

Employer Identification Number	Is this corporation doing business in Utah? <input type="checkbox"/> Yes <input type="checkbox"/> No	Corporation name	Percent of stock ownership at end of tax year
Merger Date (only if during period)	mm / dd / yy	Filing Period (only when different from S-Corp.)	mm / dd / yy to mm / dd / yy
Employer Identification Number	Is this corporation doing business in Utah? <input type="checkbox"/> Yes <input type="checkbox"/> No	Corporation name	Percent of stock ownership at end of tax year
Merger Date (only if during period)	mm / dd / yy	Filing Period (only when different from S-Corp.)	mm / dd / yy to mm / dd / yy
Employer Identification Number	Is this corporation doing business in Utah? <input type="checkbox"/> Yes <input type="checkbox"/> No	Corporation name	Percent of stock ownership at end of tax year
Merger Date (only if during period)	mm / dd / yy	Filing Period (only when different from S-Corp.)	mm / dd / yy to mm / dd / yy
Employer Identification Number	Is this corporation doing business in Utah? <input type="checkbox"/> Yes <input type="checkbox"/> No	Corporation name	Percent of stock ownership at end of tax year
Merger Date (only if during period)	mm / dd / yy	Filing Period (only when different from S-Corp.)	mm / dd / yy to mm / dd / yy

2. Where are the corporate books and records maintained?

3. Which is the state of commercial domicile?

4. What is the last year for which a federal examination has been completed?

Under separate cover, send a summary and supporting schedules for the federal adjustments and the federal tax liability for each year for which federal audit adjustments have not been reported to the Tax Commission and indicate date of final determination. Forward information to Utah State Tax Commission, Auditing Division, 210 North 1950 West, Salt Lake City, Utah 84134-0300.

5. For what years are federal examinations now in progress, or final determination of past examinations still pending?

6. For what years have extensions for proposing additional assessments of federal tax been agreed to with the Internal Revenue Service?

NOTE: An automatic extension of the Statute of Limitations relating to assessments of tax is provided by Utah Code Section 59-7-519 for failure to report fully the information required.

SCHEDULE A

TC-20S A
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Corporation Name	Taxable Year Ending	Federal Identification Number
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SCHEDULE A COMPUTATION OF UTAH NET TAXABLE INCOME AND TOTAL TAX DUE

1. Ordinary income/loss from trade or business activities	•	1.		00
2. Adjustments to ordinary income (from Schedule B, line 6) (see instructions page 2)	•	2.		00
3. Net Income:				
(a) Total income before nonbusiness income (line 1 plus line 2)	•	3a.		00
(b) Nonresident income (line 3a multiplied by nonresident percentage on form TC-20S, line 1b)	•	3b.		00
4. Nonbusiness income: (from Schedule H, line 13 and line 26)				
(a) Allocated to Utah (\$) times nonresident % on TC-20S, line 1b	•	4a.		00
(b) Allocated outside Utah (\$) times nonresident % on TC-20S, line 1b	•	4b.		00
5. Nonbusiness income total (add lines 4a and 4b)	•	5.		00
6. Net income subject to apportionment (line 3b less line 5)	•	6.		00
7. Apportionment fraction (100% or Schedule J, line 7)		7.		%
8. Net income apportioned to Utah (line 6 multiplied by line 7)	•	8.		00
9. Nonbusiness income allocated to Utah (line 4a)	•	9.		00
10. UTAH TAXABLE INCOME/LOSS (add lines 8 plus 9)	•	10.		00
11. Loss carryforward for S-corporations previously filing under option A (caution: see instructions page 3 attach documentation)	•	11.		00
12. Utah taxable income before deduction amount (line 10 less line 11)		12.		00
13. Deduction amount applies for income greater than zero (multiply line 12 by .15)		13.		00
14. NET TAXABLE INCOME (line 12 less line 13)	•	14.		00
15. Tax rate		15.		.07
16. Calculation of tax (see instructions page 3)				
a. Line 14 multiplied by line 15	•	16a.		00
b. Built-in and other gains (see instructions page 3)	•	16b.		00
c. AMENDED RETURNS ONLY (previous refunds)		16c.		00
17. Tax amount (lines 16a through 16c)		17.		00
18. Refundable credits				
a. Mineral production withholding (attach TC-675R)	•	18a.		00
b. Off-highway agricultural gas tax credit	•	18b.		00
c. Total prepayments (Schedule E, line 4)	•	18c.		00
d. AMENDED RETURNS ONLY (previous payments)		18d.		00
19. Total refundable credits (add lines 18a through 18d)		19.		00
20. Overpayment - if line 19 is larger than line 17, subtract line 17 from line 19	•	20.		00
21. Amount of overpayment to be applied as advance payment for next taxable year	•	21.		00
22. Refund (line 20 less line 21)(enter amount on form TC-20S, line 5)	•	22.		00
23. Total tax - if line 17 is larger than line 19, subtract line 19 from line 17 (enter amount on form TC-20S, line 4)	•	23.		00

Nonrefundable credits - Nonrefundable tax credits may only be claimed by filing an individual income tax return

SCHEDULES B AND E

TC - 20S B/E
Rev. 12/97

Corporation Name	Taxable Year Ending	Federal Identification Number
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SCHEDULE B ADJUSTMENTS TO ORDINARY INCOME

Enter below the appropriate amounts from federal form 1120S, Schedule K, lines 2 through 6.

1.	Net income (loss) from rental real estate activities from Line 2 of federal Schedule K	1.		00
2.	Net income (loss) from other rental activities from Line 3c of federal Schedule K	2.		00
3.	Portfolio income (loss) from Lines 4a through 4f of federal Schedule K	3.		00
4.	Net gain (loss) under section 1231 (other than due to casualty or theft) from Line 5 of federal Schedule K	4.		00
5.	Other income (loss) from Line 6 of federal Schedule K	5.		00
6.	Total adjustments to ordinary income (add lines 1 through 5, enter here and on Schedule A, line 2)	6.		00

SCHEDULE E PREPAYMENTS OF ANY TYPE

Extension of Time To File

This is an extension of time to file your Business Return - NOT an extension of time to pay your taxes. You are automatically allowed an extension of up to six months from your original due date to file your return. However, if the prepayment requirements (see instructions) have not been met on or before the original due date, penalties will be assessed.

1.	Overpayment applied from prior year	1.	
2.	Extension prepayment Date _____ Check number _____	2.	
3.	Other prepayments (attach sheet if necessary)		
a.	Date _____ Check number _____	3a.	
b.	Date _____ Check number _____	3b.	
c.	Date _____ Check number _____	3c.	
d.	Date _____ Check number _____	3d.	
Total of other prepayments (add lines 3a through 3d)		3.	
4.	Total prepayments (add lines 1, 2, and 3, enter on this line and on Schedule A, line 18c)	4.	

SCHEDULE J - APPORTIONMENT SCHEDULE

TC- 20S J
Rev. 12/97

Corporation Name	Taxable Year Ending	Federal Identification Number
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Describe briefly the nature and location(s) of your Utah business activities:

	Inside Utah Column A			Inside and Outside Utah Column B	
1. TANGIBLE PROPERTY					
(a) Land	1(a)		00	•	00
(b) Depreciable assets	1(b)		00	•	00
(c) Inventory and supplies	1(c)		00	•	00
(d) Rented property	1(d)		00	•	00
(e) Other tangible property	1(e)		00	•	00
2. TOTAL TANGIBLE PROPERTY (total 1(a) through 1(e))	2		00	•	00
(a) Fraction (column (A), line 2 divided by column (B), line 2)				2(a)	
3. WAGES, SALARIES, COMMISSIONS, AND OTHER INCLUDABLE COMPENSATION	3		00	•	00
(a) Fraction (column (A), line 3 divided by column (B), line 3)				3(a)	
4. GROSS RECEIPTS FROM BUSINESS					
(a) Sales (gross receipts less returns and allowances)				4(a)	00
(b) Sales delivered or shipped to Utah purchasers:					
(1) Shipped from outside Utah	4(b1)		00		
(2) Shipped from within Utah	4(b2)		00		
(c) Sales shipped from Utah to:					
(1) United States Government	4(c1)		00		
(2) Purchasers in a state(s) where the taxpayer has no nexus (The corporation is not taxable in the state of purchaser)	4(c2)		00		
(d) Rent and royalty income	4(d)		00	•	00
(e) Service income (attach schedule)	4(e)		00	•	00
5. TOTAL SALES AND SERVICES (total 4(a) through 4(e))	5		00	•	00
(a) Fraction (column (A), line 5 divided by column (B), line 5)				5(a)	
6. TOTAL OF LINES 2a, 3a, AND 5a				6	
7. Calculate the APPORTIONMENT FRACTION to <u>six decimals</u>: (line 6 divided by 3 or the number of factors present) (Also enter on Schedule A, line 7)				7	

NOTE: This schedule is to be used only if income is taxable in another state and should be apportioned to Utah.

Corporation Name	Taxable Year Ending	Federal Identification Number
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Note: Failure to complete all information required below may result in automatic disallowance of the nonbusiness income claimed

Utah Nonbusiness Income (Allocated to Utah) (See instructions pages 5-6)

Description of Utah Nonbusiness Income	Acquisition Date of Nonbusiness Asset(s)	Payor of Nonbusiness Income	Beginning Value of Investment Used to Produce Nonbusiness Income	Ending Value of Investment Used to Produce Nonbusiness Income	Nonbusiness Income
1a.					
1b.					
1c.					
1d.					
2. Total Utah nonbusiness income (add lines 1a through 1d)					
3a. Description of direct expense related to line 1a above			Enter amount of direct expense		
3b. Description of direct expense related to line 1b above			Enter amount of direct expense		
3c. Description of direct expense related to line 1c above			Enter amount of direct expense		
3d. Description of direct expense related to line 1d above			Enter amount of direct expense		
4. Total direct related expenses (add lines 3a through 3d)					
5. Utah nonbusiness income net of direct related expenses (line 2 less line 4)					
Indirect Related Expenses for Utah Nonbusiness Income			Assets Used To Produce Utah Nonbusiness Income (Column A)	Total Assets (Column B)	
6. Beginning of year					
7. End of year					
8. Sum of beginning and ending asset values (add lines 6 and 7)					
9. Average assets (line 8 divided by 2)					
10. Average Utah nonbusiness assets to average total assets (line 9, Column A divided by line 9, Column B)					
11. Interest expense deducted in computing Utah taxable income (see instructions, page 6)					
12. Indirect related expenses for Utah nonbusiness income (line 10 multiplied by line 11)					
13. Total Utah nonbusiness income net of expenses (line 5 less line 12) (Enter here and on Schedule A, line 4a)					

Non-Utah Nonbusiness Income (Allocated Outside Utah) (See instructions pages 5-6)

Description of Non-Utah Nonbusiness Income	Acquisition Date of Nonbusiness Asset(s)	Payor of Nonbusiness Income	Beginning Value of Investment Used to Produce Nonbusiness Income	Ending Value of Investment Used to Produce Nonbusiness Income	Nonbusiness Income
14a.					
14b.					
14c.					
14d.					
15. Total non-Utah nonbusiness income (add lines 14a through 14d)					
16a. Description of direct expense related to line 14a above			Enter amount of direct expense		
16b. Description of direct expense related to line 14b above			Enter amount of direct expense		
16c. Description of direct expense related to line 14c above			Enter amount of direct expense		
16d. Description of direct expense related to line 14d above			Enter amount of direct expense		
17. Total direct related expenses (add lines 16a through 16d)					
18. Non-Utah nonbusiness income net of direct related expenses (line 15 less line 17)					
Indirect Related Expenses for non-Utah Nonbusiness Income			Total Assets Used To Produce Nonbusiness Income (Column A)	Total Assets (Column B)	
19. Beginning of year					
20. End of year					
21. Sum of beginning and ending asset values (add lines 19 and 20)					
22. Average assets (line 21 divided by 2)					
23. Average total nonbusiness assets to average total assets (line 22, Column A divided by line 22, Column B)					
24. Interest expense deducted in computing Utah taxable income (see instructions, page 6)					
25. Indirect related expenses for non-Utah nonbusiness income (line 23 multiplied by line 24)					
26. Total non-Utah nonbusiness income net of expenses (line 18 less line 25) (Enter here and on Schedule A, line 4b)					

TC-20S N
Rev. 12/97

Corporation Name	Taxable Year Ending	Federal Identification Number

Instructions: Subchapter S-corporations that are making income tax payments on behalf of nonresident shareholders must complete this form.

Sub-chapter S-corporations must list below all nonresident shareholders for which Utah individual income tax paid on behalf of shareholder is submitted. The social security number (SSN), corporate ownership percentage, pro-rata share, and the amount of Utah tax paid on behalf of shareholder must also be indicated for each nonresident shareholder.

This form may be copied to accommodate additional shareholders.

Shareholder	SSN or FIN	Percentage	Pro-Rata Share (% times Sch. A, line 12)	Utah Tax Paid on Behalf of Shareholder
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
				00
Total	(This amount should equal the amount on Schedule A, line 16a)			\$ 00

